

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

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PUBLIC UTILITIES
COMMISSION

In the Matter of)
)
PUBLIC UTILITIES COMMISSION) Docket No. 2008-0273
)
Instituting a Proceeding to Investigate)
The Implementation of Feed-in Tariffs.)
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THE SOLAR ALLIANCE'S AND HAWAII SOLAR ENERGY ASSOCIATION'S
SUPPLEMENTAL COMMENTS ON THE RELIABILITY STANDARDS
WORKING GROUP PROPOSAL

AND

CERTIFICATE OF SERVICE

RILEY SAITO
73-1294 Awakea Street
Kailua-Kona, HI 96740
Telephone No.: (808) 895-0646

For: THE SOLAR ALLIANCE

Isaac H. Moriwake #7141
David L. Henkin #6876
EARTHJUSTICE
223 South King Street, Suite 400
Honolulu, Hawaii 96813-4501
Telephone No.: (808) 599-2436
Facsimile No.: (808) 521-6841
Email: imoriwake@earthjustice.org
dhenkin@earthjustice.org

Attorneys for:
HAWAII SOLAR ENERGY
ASSOCIATION

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THE SOLAR ALLIANCE'S AND HAWAII SOLAR ENERGY ASSOCIATION'S
SUPPLEMENTAL COMMENTS ON THE RELIABILITY STANDARDS
WORKING GROUP PROPOSAL

Pursuant to the invitation via the Commission's counsel on March 22, 2010, the Solar Alliance and Hawaii's Solar Energy Association (together, "SA/HSEA") hereby respectfully submit the following supplemental comments on the "Reliability Standards Working Group" proposal ("RSWG proposal" or "proposal") of the Hawaiian Electric Company, Inc. ("HECO"), Hawaii Electric Light Company, Inc. ("HELCO"), and Maui Electric Company, Ltd. ("MECO") (collectively, the "HECO Companies"), as further discussed in the HECO Companies' letter to the Commission dated March 31, 2010.

Preliminarily, in their previous comments submitted on March 15, 2010, SA/HSEA requested the "opportunity to submit additional comments after the HECO Companies submit a better developed proposal" because "so many of the key details of the HECO Companies' proposed RSWG process remain unclear and subject to change, [which] limit[s] the parties' ability to comment." SA/HSEA's Comments on RS

RSWG proposal ("RSWG Comments") at 13. The HECO Companies, in their letter dated February 26, 2010, had proposed a schedule under which they would "file Working Group final plan to Commission identifying proposed Technical Support Group participants, NEM Working Group participants, and preliminary scope of work for technical studies" on March 31, 2010. HECO Companies' February 26, 2010 letter, Attach. 1 at 7. In their March 31 letter, however, the HECO Companies recommended to defer the filing of specific details on the proposal and, instead, to hire the proposed "independent facilitator" to "oversee more detailed discussion about specific Technical Support Group membership, roles, and responsibilities." HECO Companies' March 31 2010 letter at 2-3. While SA/HSEA appreciate the value of allowing the independent facilitator and stakeholders to participate in developing the RSWG proposal, the deferral of any concrete details again limits the parties' ability to comment. Absent further details on this "pre-process process," SA/HSEA have no alternative but again to request the Commission to afford the parties another opportunity to submit comments after any specific RSWG proposal is filed.

Furthermore, the HECO Companies' current recommendation to defer the details of the RSWG proposal raises several fundamental concerns:

- First, it will add further delays to the process. Combined with the HECO Companies' proposal to impose "HECO Caps and Limits,"¹ or

¹ In their filings, SA/HSEA have specified certain terms to enable productive discussion of the HECO Companies' proposals. These include: "Reliability Standards," which are objective and transparent standards for grid operation and renewable energy integration; "HECO Caps and Limits," which are what the HECO Companies have proposed; and "FIT reliability and curtailment standards," which are technical guidelines for the specific purpose of facilitating the immediate

delay the implementation of the FIT program and expansions of the net energy metering (“NEM”) program on the HELCO and MECO grids pending the RSWG process, this will impede Hawai‘i’s progress towards a clean energy future and cause severe harm to its indigenous renewable energy industry.

- Second, it will allow the RSWG proposal to forge ahead and gain presumptive momentum without a clear concept of its scope and purpose and, therefore, its ultimate need.

SA/HSEA have raised similar concerns in their previous filings and will summarize here in light of the HECO Companies’ latest recommendation.

The HECO Companies’ Proposed Delays On Renewable Distributed Generation Should Be Rejected.

First, SA/HSEA have strongly opposed “any proposal to use the Working Group process to enable, justify, or rationalize any HECO Caps or Limits on renewable energy penetration on any of the HECO Companies’ grids.” SA/HSEA’s RSWG Comments at 4. SA/HSEA have also detailed how the HECO Companies have failed to justify their proposed blanket HECO Caps and Limits, particularly given the inconsistencies with the HECO Companies’ long-standing positions and the state’s expressed energy policies, and the serious resulting consequences for Hawai‘i’s renewable energy industry, consumer choice, and the public interest. SA/HSEA’s FIT-RS Comments at 17-31. In contrast to the HECO Companies’ speculative and contrived concerns, their proposed Caps and Limits will rapidly devastate Hawai‘i’s renewable energy industry. SA/HSEA’s FIT-RS Comments at 32-34. The HECO Companies

implementation of the FIT program. See SA/HSEA’s Comments on the HECO Companies’ FIT Reliability Standards (“FIT-RS Comments”) at 8-11.

cannot and should not use their RSWG proposal as an excuse for the proposed Caps and Limits that they have failed to justify in the first instance.

Indeed, the HECO Companies' current recommendation to defer the details of the RSWG proposal underscores the problem of delay. The HECO Companies' initial proposed schedule called for the filing of the RSWG "final plan" by March 31, and the initiation of the RSWG and completion of the scoping of technical studies by April 2010. HECO Companies' February 26, 2010 letter, Attach. 1 at 7. Now, the HECO Companies propose the selection of the independent facilitator and "scheduling of the first [RSWG] exploratory meeting by the end of April." HECO Companies' March 31, 2010 letter at 3. This already adds an extra delay of at least a month on top of the HECO Companies' proposed process stretching over a year to June 30, 2011. In fact, the delay will inevitably extend much longer since (1) a "first exploratory meeting" is unlikely to resolve all the missing details in the proposal and the many basic concerns of the parties, including who should be included in the RSWG in the first place, and (2) the Commission must still review and approve any final proposal in light of any comments and concerns.

The parties and Commission have already waited over a year and a half for the FIT program. A total of three years could pass from the beginning of this docket before the program even begins on Maui and Hawai'i Island. This is unacceptable. SA/HSEA reiterate their request that the Commission reject the HECO Companies' proposed Caps and Limits or any other needless and arbitrary delays of renewable distributed generation pending any RSWG process.

The Ultimate Purpose Of Any Reliability Standards Working Group Process Must Be Made Clear.

The HECO Companies' recommendation to defer the details of the RSWG is also problematic in that it presumes the RSWG proposal should proceed with the major step and investment of hiring an independent facilitator, which would give the proposal considerable and potentially irreversible momentum. Yet, the proposal still lacks *essential details on its purpose and scope that are necessary to determine whether the RSWG process, as proposed by the HECO Companies in this FIT docket, is necessary or advisable at all.*

The HECO Companies originally tied the RSWG concept together with their misguided and invalid proposal of HECO Caps and Limits. If the proposed HECO Caps and Limits are rejected, as SA/HSEA have shown they should be, then the question arises whether the HECO Companies' RSWG process is still needed in its currently proposed form.

SA/HSEA and others have urged this Commission to provide some orderly and accountable process to establish true Reliability Standards guiding not only the FIT program but all resource development. See, e.g., SA/HSEA's FIT-RS Comments at 9-10. SA/HSEA also sees value in developing FIT reliability and curtailment standards (i.e., practical solutions for FIT projects such as adjusting the underfrequency trip settings for photovoltaic systems to a frequency lower than the load shed points for the grid, see id. at 10-11; supra note 1) on a going forward basis -- but not delaying the FIT program or imposing HECO Caps and Limits in the meantime. The HECO Companies, for their part, have remained vague on the scope of their RSWG proposal, stating that

the RSWG would be focused on the FIT program, yet at the same time proposing that the RSWG would also address the NEM program and could affect “other energy development mechanisms.” See HECO Companies’ February 26, 2010 letter, Attach. 1 at 2, 8.

While SA/HSEA have not expressed a preference between this FIT docket or an independently dedicated docket as the process for developing such Reliability Standards or FIT reliability and curtailment standards, we acknowledge that proper administrative procedure and due process may require more broadly applicable standards to be established in a process that allows the participation of a broader range of affected stakeholders under adequate procedural safeguards. Given the ongoing lack of clarity on the overall goals of the proposed RSWG process, forging ahead with the hiring of an independent facilitator for the process may imprudently start the process down a predetermined path in this FIT docket and limit its scope and ultimate usefulness. In sum, SA/HSEA recommend that in addition to rejecting the HECO Companies’ proposed Limits and requiring the establishment of true Reliability Standards, the Commission make clear at the outset the overall purpose of any RSWG process and provide an appropriate forum, whether in this FIT docket or another docket, for interested stakeholders to participate meaningfully in the process.

Conclusion.

In conclusion, based on the foregoing and SA/HSEA’s other related filings, SA/HSEA respectfully requests that the Commission:

1) afford SA/HSEA and the other parties another opportunity to comment on any final RSWG proposal;

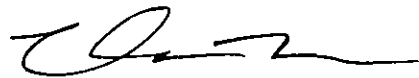
2) reject the HECO Companies' proposed interim Caps and Limits on renewable distributed generation;

3) order the establishment of true Reliability Standards through an orderly and accountable process; and

4) if it proceeds with the RSWG process, to make clear the overall purpose of the process and provide a forum that allows meaningful participation of interested stakeholders with adequate procedural safeguards.

Respectfully submitted.

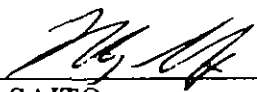
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ISAAC H. MORIWAKE
DAVID L. HENKIN
EARTHJUSTICE
Attorneys for:
HAWAI'I SOLAR ENERGY
ASSOCIATION

Respectfully submitted.

DATED: Honolulu, Hawaii,



RILEY SAITO

for The Solar Alliance

CERTIFICATE OF SERVICE

The undersigned hereby certifies that, on this date, a copy of the foregoing document was duly served by first-class postage prepaid mail and electronic mail to the following parties addressed as follows:

Dean Nishina
Executive Director
Dept. Of Commerce And Consumer Affairs
Division Of Consumer Advocacy
P. O. Box 541
Honolulu, HI 96809

2 copies via U.S. Mail
Dean.K.Nishina@dcca.hawaii.gov

The undersigned hereby certifies that, on this date, a copy of the foregoing document was duly served by electronic mail to the following parties addressed as follows:

Lane H. Tsuchiyama, Esq.
Counsel for Division of Consumer Advocacy

lane.h.tsuchiyama@dcca.hawaii.gov

Dean Matsuura
Dan Brown
Marisa Chun
Kevin Katsura
Rosella Motoki
Scott Seu
Hawaiian Electric Company, Inc.

dean.matsuura@heco.com
dan.brown@heco.com
marisa.chun@heco.com
kevin.katsura@heco.com
rosella.motoki@heco.com
scott.seu@heco.com

Thomas Williams Jr., Esq.
Peter Y. Kikuta , Esq.
Counsel for Hawaiian Electric Company, Inc.,
Hawai'i Electric Light Company, Inc., and
Maui Electric Company, Inc.

twilliams@goodsill.com
pkikuta@goodsill.com

Rod Aoki
Counsel for Hawaiian Electric Company, Inc.,
Hawai'i Electric Light Company, Inc., and
Maui Electric Company, Inc.

rod.aoki@rsalaw.com

Theodore A. Peck
Estrella A. Seese
Department of Business, Economic Development,
and Tourism

TPeck@dbedt.hawaii.gov
ESeese@dbedt.hawaii.gov

Mark J. Bennett, Esq. Deborah Day Emerson, Esq. Gregg J. Kinkley, Esq. Counsel For Department of Business, Economic Development, and Tourism	gregg.j.kinkley@hawaii.gov
Carrie K.S. Okinaga, Esq. Gordon D. Nelson, Esq. Counsel For City And County Of Honolulu	gnelson1@honolulu.gov
Lincoln S.T. Ashida, Esq. William V. Brilhante, Jr., Esq. Michael J. Udovic, Esq. Counsel For County Of Hawai'i	wbrilhante@co.hawaii.hi.us mudovic@co.hawaii.hi.us
Henry Q. Curtis Kat Brady Life Of The Land	henry.lifeoftheland@gmail.com kat.lifeoftheland@gmail.com
Carl Freedman Haiku Design & Analysis	jcfm@hawaiiantel.net
Warren S. Bollmeier II Jody Allione Hawaii Renewable Energy Alliance	wsb@lava.net jody_allione@yahoo.com
Douglas A. Codiga, Esq. Counsel For Blue Planet Foundation	dcodiga@sil-law.com
Mike Champley Blue Planet Foundation	champleym@hotmail.com
Riley Saito The Solar Alliance	rsaito@sunpowercorp.com
Joel K. Matsunaga Hawaii Bioenergy, LLC	jmatsunaga@hawaiiibioenergy.com
Kent D. Morihara, Esq. Kris N. Nakagawa, Esq. Sandra L. Wilhide, Esq. Counsel For Hawaii Bioenergy, LLC Counsel For Maui Land & Pineapple Company, Inc	kmorihara@moriharagroup.com knakagawa@moriharagroup.com swilhide@moriharagroup.com
Theodore E. Roberts Sempra Generation	troberts@sempra.com

Caroline Belsom
Maui Land & Pineapple Company, Inc.

caroline.belsom@kapalua.com

Erik W. Kvam, Esq.
Zero Emissions Leasing LLC

ekvam@zeroemissions.us

Pamela Ann Joe
Sopogy Inc.

pjoe@sopogy.com

Gerald A. Sumida, Esq.
Tim Lui-Kwan, Esq.
Nathan C. Nelson, Esq.
Counsel For Hawaii Holdings, LLC,
dba First Wind Hawaii

gsumida@carlsmith.com
tlui-kwan@carlsmith.com
nnelson@carlsmith.com

Mike Gresham
Hawaii Holdings, LLC,
dba First Wind Hawaii

mgresham@hawaii.rr.com

Chris Mentzel
Clean Energy Maui LLC

c.mentzel@cleanenergymaui.com

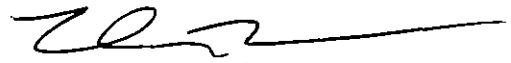
Harlan Y. Kimura, Esq.
Counsel For Tawhiri Power LLC

hyk@aloha.net

Sandra-Ann Y.H. Wong, Esq.
Counsel For Solar Alliance

sawonglaw@hawaii.rr.com

DATED: Honolulu, Hawai'i, April 8, 2010.



Isaac H. Moriwake
David L. Henkin
EARTHJUSTICE
223 South King Street, Suite 400
Honolulu, Hawai'i 96813-4501

Attorneys for:
HAWAII SOLAR ENERGY
ASSOCIATION